

STATE OF MICHIGAN

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January 24, 1983

TO: Assessing Officers

FROM: *JEH* Emil E. Tahvonen, Administrator
State Tax Commission

RE: Senate Bill 979
Public Act 539, P.A. of 1982
Effective March 30, 1983

Senate Bill 979, Act 539 of the Public Acts of 1982 amends sections 2a, 7k, 8, 22, 24c, 27, 27a, 28, 30, 34d, 46, 48, 53b, 56, 61, 67a, 72, 74, 107, and 154, of the General Property Tax Act, Act 206, P.A. of 1893.

The compiled laws chapter and section references are:

211.2a	211.28	211.67
211.7h	211.30	211.67a
211.8	211.34d	211.72
211.22	211.46	211.74
211.24c	211.48	211.107
211.27	211.53b	211.154
211.27a	211.56	

The changes to each section are summarized as follows:

Sec. 211.2a

Amendment provides in effect, that occupied mobile homes located in a licensed motor home park that pay the \$3.00 per month specific tax levied pursuant to Sec. 41 of Act 243, P.A. of 1959 (Sec. 125,1041, M.C.L.) are exempt from ad valorem taxation. Basically the amendment changes a statutory reference to clarify the section.

Sec. 211.7h

The Section deals with property tax exemptions for solar, wind, and water energy conversion devices or installations. The amendment eliminates the previous requirement that the State Tax Commission send the exemption certificate to the applicant by certified mail. As amended, mailing by first-class mail is sufficient. The problem addressed is that in too many instances the certified mail was not claimed. In addition the expense of mailing will be substantially reduced.

Sec. 211.8

Sec. 8 deals with the assessment and levy of personal property taxes. The amendment solves existing problems in the assessment of interests in underground rock strata leased or owned by firms or persons other than the firms or persons owning the surface rights. The amendment provides that such interests will be assessed as personal property to the holder of such interests.

Sec. 211.22

The filing of petitions with the Michigan Tax Tribunal to correct valuations based upon the filing of incorrect personal property statements or failure to file statements, has been eliminated from the section. A deadline date of June 30 in the section prior to amendment made the provisions of the section extremely difficult to administer. Filing of petitions to correct assessments based on failure to file personal property statements, incorrect statements, and property omitted from the assessment roll are now covered in Sec. 154 which will be commented upon later in this summary.

Sec. 211.24c

This section provides for the furnishing of a notice of an increase in property assessment to each owner or person or persons listed in the assessment roll. The information to be included in the notice for 1982 and as amended for 1983 and subsequent years is reduced in scope provided that the equalization factor for the prior year is 1. All notices must include name of owner or persons listed on assessment roll, property code number or description, the assessed value for the current and prior year and the classification of the property. Additional required information will depend upon whether or not the assessing unit has a 1 factor.

Sec. 211.27

For purposes of assessing primarily commercial property the amended Section 27 contains a definition of Economic Income used in making property appraisals using the income approach. Economic Income means in the case of rented or leased property the ordinary, general, and usual economic return and not necessarily the actual income generated.

Sec. 211.27a

This section 27a is new and provides for the present level of assessment as 50% of true cash value. The level of assessment was previously contained in Section 27. Placing the level in a separate section dealing only with the level of assessment will simplify the amendment if the legislature feels such action is necessary or desirable.

Sec. 211.28

This section deals with the composition of boards of review. Allows the creation of an expanded board of review by township and cities having a population of 20,000 or more. Present board size is 3 members for townships and generally the same for cities unless charter provisions provide for a different number. Expanded boards may have 6 or 9 members who would sit as committees of 3 to hear protests and decide issues. Upon completion of the review of the roll and hearing of protests the roll is endorsed by a majority of the membership of the entire board.

Sec. 211.30

This section also deals with boards of review and primarily procedures. The amendments provide that boards of review shall insure that persons or their agents who have appeared on the statutory meeting days or at a scheduled appointment shall be afforded an opportunity to be heard. This may require the scheduling of additional meetings. The amended section also provides that the decision of the board of review in a protested matter shall be communicated in writing to the person who protested. The deadline for notification is not later than the first Monday in June. Information to be included in the notification is the state equalized value of the property and information regarding the right of further appeal to the Michigan Tax Tribunal, the address of the Tribunal and the final date for filing an appeal with the Tribunal. The section now requires that the completed assessment roll be delivered to the county equalization director not later than the 10th day after the adjournment of the board of review or the Wednesday following the first Monday in April, whichever date occurs first.

The section, as amended, also allows the governing body of a township or city to adopt a resolution to allow a resident taxpayer to file his or her protest by letter without an appearance by the taxpayer or his or her agent. Notification of the adoption of such a resolution must be included with the assessment notices furnished pursuant to Section 24c. Without such a resolution only non-residents are allowed to protest by letter.

Sec. 211.34d

Remedies definitions which had been temporarily altered to implement Proposal "A", voted on and defeated in 1981. The formula for computing the Headlee millage reduction has been perfected.

Sec. 211.46

This Section was amended to provide for making demand for unpaid personal property taxes remaining unpaid on February 15 rather than January 10th. This amendment corrects inconsistency which existed between this section and section 44 which provides an additional collection fee (now penalty) for taxes paid on or after February 15. Section 44 additional penalty date of February 15th was a change from an original date of January 10. Sec. 46 was not amended as it should have been at the time Sec. 44 was amended.

Sec. 211.48

Change is wording which requires marking taxes as paid "in an indelible manner" rather than in "ink" as previously required. Obviously corrected to accommodate computerized processing of payments and/or mechanical processes for recording payments.

Sec. 211.53b

This section deals with the December Board of Review. Amendment provides that actions pursuant to this section may be initiated by the taxpayer or assessing officer. Tribunal had ruled that 53b prior to this amendment provided a remedy for the taxpayer only.

Sec. 211.56

Allows a county treasurer to collect unpaid personal property taxes if a county board of commissioners enters into an agreement with the local tax collecting unit with the concurrence of the county treasurer. Provides for the addition of fees, penalties, and interest to the unpaid personal property taxes. Also establishes a "County Delinquent Personal Property Tax Administration Fund." All fees, interest, penalties, costs, charges, or expenses the county treasurer collects with delinquent personal property taxes pursuant to this section shall be deposited in this fund. The money in the fund shall be used by the county treasurer to pay the costs of collecting delinquent personal property taxes. Excess money in the fund will be transferred periodically to the general fund of the county.

Sec. 211.67

May tax sale petition previously required to be signed by the State Treasurer will be signed by the State Treasurer or his or her authorized representative.

Sec. 211.67a

When the title of May Tax Sale properties becomes absolute in the state the deed of conveyance to the state shall be sealed with the seal of the State Treasurer or his or her authorized representative but shall not require additional signatures of witnesses or notary public. The fee for recording remains 50 cents.

Sec. 211.72

The deed of conveyance to purchasers for properties purchased at the May Tax Sale shall be sealed with the seal of the State Treasurer and be signed by the State Treasurer or his or her authorized representative but shall not require additional signatures of witnesses or notary public.

Sec. 211.74

Eliminates requirement for an accounting of redemption certificates by the county clerk or board of auditors. Also provides that the county treasurer shall account for each redemption certificate issued and forward a weekly report to the Department of Treasury accounting for each certificate issued.

Sec. 211.107

The requirements of the General Property Tax Act relating to the amount and imposition of interest, penalties, and collection or administration fees shall be applicable to all cities and villages where not inconsistent with their charters. A charter of a city or township may authorize the establishment of procedures requiring protests to the board of review to be first addressed to the assessor or other agency of the city or township as a prerequisite for a protest before the board of review so long as the assessor or the other agency to whom a protest is first addressed does not have the authority to deny the petitioner the right to protest before the board of review. (Note: This provision cannot be made effective in charter townships without an amendment to the statutes governing charter townships). Provisions in the General Property Tax Act relating to property tax collection functions shall include in addition to township, city, or village, any other local property tax collecting unit. See Act 333, P.A. of 1982 - Summer Collection of School Taxes.

Sec. 211.154

Section as amended provides for submission to the Tax Commission, generally by the assessing officer, of information regarding property erroneously omitted from the assessment rolls, property incorrectly reported on filed property statements, etc. Tax Commission may correct valuations or place property on the rolls for the current assessment year and up to two prior years but not beyond a change of ownership. All changes resulting in additional taxes will be placed upon the current assessment roll and tax rolls. Each year for which changes are made will be shown separately and appropriate tax rates applied. The additional taxes due will be collected along with the current years taxes and will be subject to the same property tax administration fees, penalties, and interest as current years taxes. If State Tax Commission changes indicate that taxes were overpaid a refund will be made without property tax administration or collection fees, but including interest at the rate of 1% per month from the date the taxes were paid to the date the refund is made. These refunds will be made by the county treasurer and charges to each taxing unit in the same proportion that the taxes were levied.

Anyone whose property is assessed pursuant to this section may appeal the State Tax Commission action to the Michigan Tax Tribunal. This section now includes the actions previously submitted to the Tribunal pursuant to Sections 211.22 and 211.154 prior to amendment. The basic changes are that omitted or erroneously reported properties will now be the initial responsibility of the Commission, not the Tribunal. In addition an additional 1 year period is added for which corrections may be made.